

28 October 1953

MEMORANDUM FOR: Colonel White

1. The attached material has its origin in a recent memorandum from the Navy Department. This memorandum requests that CIA reimburse the Navy for those CIA Junior Officer Trainees who are enrolled in the Navy Officer Candidate School and then placed on active Naval service for a three-year period prior to returning to CIA service as civilians in a Naval Reserve capacity. Briefly, the Navy memo wants the CIA to start reimbursement at the time that the individual completes Officer Training School (which is of four months' duration). As the program now stands, the man who successfully completes OCS training and thereupon receives his commission has one year of fleet service and then finishes the remaining two years' active service through detail to CIA.
2. Matt Baird feels quite strongly that CIA should not effect reimbursement for any portion of the time spent by JOT's in participating in these training and service programs. It is his feeling that the Agency should stand firm on this point and should negotiate only at the Defense Department level since he believes that the same question will be raised by the Army and Air Force. Matt says that he recalls quite clearly that at the time (Fall 1952) discussions were held with the Defense Department on the question of reimbursing that Department for officers assigned or detailed to CIA, General Smith explicitly made it known that the JOT category should be excluded from the memorandum of understanding. Matt feels that if the Agency is not successful in keeping the JOT group outside the reimbursement category, then the Agency should abandon this particular program. Since there is no assurance that JOT's who participate in this program will want to stay with CIA on a career basis, it is his feeling that we cannot afford to consent to a reimbursement procedure.
3. At present, we have nine JOT's on duty with the Navy under this program. The Navy asks that reimbursement begin retroactively to 1 July 1953 for those officers who were already commissioned as of that date and the date of individual commissioning after 1 July 1953 for the others.
4. I am attaching a copy of both the memorandum of understanding and the Agency's announcement of the JOT-Military Service Training Program.
5. Recommend that [redacted] be asked to negotiate with the Defense Department along the lines proposed by Matt Baird.

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